National Energy Board | Office national de l'énergie

National Energy Board

2015-16

Report on Plans and Priorities

C. Peter Watson, P.Eng. FCAE
Chair and CEO
National Energy Board

The Honourable Greg Rickford, P.C., M.P.
Minister
Natural Resources

Canada

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Table of Contents

Message from the Chair and CEO 1

Section I: Organizational Expenditure Overview 3

- Organizational Profile 3
- Organizational Context 4
- Planned Expenditures 11
- Alignment of Spending With the Whole-of-Government Framework 13
- Departmental Spending Trend 14
- Estimates by Vote 15

Section II: Analysis of Program(s) by Strategic Outcome 17

- Strategic Outcome 17
- Program 1.1: Energy Regulation 17
- Sub-Program 1.1.1: Energy Regulation Development 19
- Sub-Program 1.1.2: Energy Regulation Implementation, Compliance Monitoring and Enforcement 21
- Program 1.2: Energy Information 23
- Internal Services 24

Section III: Supplementary Information 27

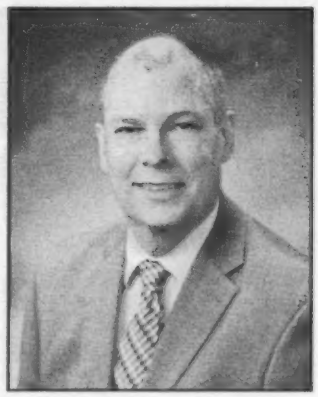
- Future-Oriented Statement of Operations 27
- Supplementary Information Tables 28
- Tax Expenditures and Evaluations 29

Section IV: Organizational Contact Information 31

Appendix: Definitions 33

Endnotes 37

Message from the Chair and CEO



I am pleased to present this 2015-16 *Report on Plans and Priorities* for the National Energy Board (NEB or Board). This report comes at a critical juncture for the NEB as now, more than ever before, the Board faces challenges from all parts of the Canadian energy landscape. An unprecedented level of public engagement in energy issues both locally and globally is prompting an evolution in how the Board fulfils its commitment to balancing all aspects of the public interest. An increasing number of large and highly complex project applications are juxtaposed against the operational realities of legislated time limits, resource constraints and the need for fair, efficient regulatory processes. While our core mandate has not changed, our strategic focus will be adapted to meet these challenges head on.

The NEB will continue to strategically develop, refine and communicate our action on pipeline safety and environmental protection, demonstrating a stronger link between our targeted safety and compliance actions and the safety performance of companies we regulate. Placing increased focus on trending, root cause and systemic issues will lead to broader, more proactive compliance and enforcement actions, and ultimately, better pipeline safety and environmental protection outcomes in the industry we regulate. In addition, we will focus more oversight on not just preventing incidents, but also fostering the development of an industry safety culture in which incidents are less likely to occur.

Our ongoing focus on safety outcomes will be complemented with a more strategic, intensive approach to engaging with and listening to Canadians. This means reaching out to Canadians as a whole, beyond the scope of our regulatory processes, with the goal of more fully understanding regional and national needs. Through active, transparent communication, the Board will hear what Canadians have to say to us, and be open to making changes based on those conversations.

Internally, we will work to develop and implement a framework for regulatory excellence. We are taking steps to define what regulatory excellence means for us as an organization, putting structure around our organizational self-assessment, bench-marking and measurement. We will show, quantitatively as well as qualitatively, how we know our programs are focused on the right things and achieving the right results.

Parliament has clearly mandated that the job of the NEB is to assess the need for new international and provincial or territorial cross-border energy infrastructure and make sure it can be constructed and operated safely. We remain focused on our primary goal: to help keep pipelines safe and protect the environment. The NEB is supported by the technical expertise and deep commitment of 450 skilled staff and highly accomplished, independent Board Members. It now only remains to refine how we approach our job and our goal, to ensure that we continue to perform as the regulator that Canada needs and deserves.

C. Peter Watson, P. Eng. FCAE
Chair and CEO
National Energy Board

Section I: Organizational Expenditure Overview

Organizational Profile

Minister: The Honourable Greg Rickford, P.C., M.P.

Chair and CEO: C. Peter Watson, P. Eng. FCAE

Ministerial Portfolio: Natural Resources

Enabling Instrument(s): *National Energy Board Act* (NEB Act)[i]

Year of Incorporation / Commencement: 1959

Organizational Context

Raison d'être

The National Energy Board (NEB or the Board) is an independent federal, quasi-judicial regulator established in 1959 to promote safety and security, environmental protection and economic efficiency in the Canadian public interest within the mandate set by Parliament for the regulation of pipelines, energy development and trade.

Responsibilities

The main responsibilities of the NEB are established in the NEB Act and include regulating:

- The construction, operation, and abandonment of pipelines that cross international borders or provincial/territorial boundaries, as well as the associated pipeline tolls and tariffs;
- The construction and operation of international power lines and designated inter-provincial power lines; and
- Imports of natural gas and exports of crude oil, natural gas liquids (NGL), natural gas, refined petroleum products and electricity.

Additionally, in specified areas[1] the Board has regulatory responsibilities for oil and gas exploration and production activities under the *National Energy Board Act*, the *Canada Oil and Gas Operations Act* (COGOA)[ii], and the *Canada Petroleum Resources Act* (CPRA)[iii].

The NEB conducts environmental assessments (EA) during its review of applications for projects under its jurisdiction. For certain projects, an EA is also required by federal legislation, such as the *Canadian Environmental Assessment Act, 2012* (CEAA 2012), the *Mackenzie Valley Resource Management Act*, the *Inuvialuit Final Agreement* or the *Nunavut Land Claims Agreement*. Certain Board inspectors are designated Health and Safety Officers by the Minister of Labour to administer Part II of the *Canada Labour Code* as it applies to NEB-regulated facilities and activities.

The Board also monitors aspects of energy supply, demand, production, development and trade. The Board reports to Parliament through the Minister of Natural Resources.

[1] Areas to which such responsibilities relate include Nunavut; Sable Island; the Inuvialuit Settlement Region onshore; that part of the onshore that is under the administration of a federal minister (including Norman Wells Proven area and other miscellaneous parcels);that part of the internal waters of Canada or the territorial sea of Canada that is not situated in a province other than the Northwest Territories, or in that part of the onshore that is not under the administration of a federal minister; and the continental shelf of Canada, but does not include the adjoining area as defined in section 2 of the *Yukon Act*.

Strategic Outcome(s) and Program Alignment Architecture

1. Strategic Outcome: The regulation of pipelines, power lines, energy development and energy trade contributes to the safety of Canadians, the protection of the environment and efficient energy infrastructure and markets, while respecting the rights and interests of those affected by NEB decisions and recommendations.

1.1 Program: Energy Regulation Program

1.1.1 Sub-Program: Energy Regulation Development

1.1.2 Sub-Program: Energy Regulation Implementation, Compliance Monitoring and Enforcement

1.2 Program: Energy Information Program

Internal Services

Organizational Priorities

Priority	Type[2]	Strategic Outcome(s) [and/or] Program(s)
Take Action on Safety[3]	Ongoing	Energy Regulation
Description		

Why is this priority?

It is important that the NEB clearly demonstrates to Canadians how we hold companies accountable and what companies are accountable for regarding safety[4]. Actions in support of this priority will increase Canadians' confidence that the NEB is effectively fulfilling its mandate.

This next phase in the NEB's commitment to safety is to advance safety culture in companies and in the industry as a whole, in concert with effectively implemented safety management systems.

The NEB will demonstrate a stronger link between targeted safety and compliance actions and the safety performance of companies. The NEB will increase focus on trending, root cause and systemic issues, show how this analysis leads to broader, more proactive compliance and enforcement actions, and ultimately to better outcomes in the regulated industry.

What are the plans for meeting this priority?

- Develop and implement an enhanced external Safety Culture framework and collaborate with other regulatory agencies on this initiative
- Plan and hold technical sessions to publicly discuss safety
- Improve quality of regulatory data
- Use enhanced data analysis to inform improvement of regulatory programs for safety and protection of the environment
- Transparently communicate how the NEB prevents incidents and fosters the development of effective industry safety cultures

[2] Type is defined as follows: previously committed to—committed to in the first or second fiscal year prior to the subject year of the report; ongoing—committed to at least three fiscal years prior to the subject year of the report; and new—newly committed to in the reporting year of the RPP or DPR.

[3] Previously, this priority was called "Continuous improvement of safety and environmental outcomes". The title for this priority has changed to reflect the next phase in the organizational priority which focuses on further development and refinement of activities to deliver on safety and environmental outcomes.

[4] Safety includes: safety of workers and the public, process safety, operational safety, facility integrity, security and environmental protection.

Priority	Type[5]	Strategic Outcome(s) [and/or] Program(s)
Engaging with Canadians	New	Energy Regulation Energy Information

Description

Why is this priority?

There is a need to inform Canadians about the NEB's role and its processes, and to demonstrate responsiveness and transparency.

Our engagement with Canadians will go beyond that which has been established through and guided by our application hearing processes. This means reaching out to Canadians and presenting ourselves as a whole, not just as the sum of regulatory processes. This means broad and bold engagement across the whole of Canada, with responsive regional focus, on pipeline safety and environmental issues. It means more effective communication that is tailored to the intended audience, and is readily accessible by any stakeholder who wants it. We have to listen to what Canadians have to say to us, and be open to making changes based on those conversations.

Initiatives are already underway, including a National Outreach Initiative involving meetings across Canada, which will enable us to make connections and begin a dialogue that will then shape our ongoing approach to public engagement. Canadians will not like or dislike energy development or facilities any more or less because of the relationship we have with them, but they will understand who we are, what we do, and what we cannot do.

What are the plans for meeting this priority?

- Establish an engagement framework for non-application purposes.
- Develop and implement a framework for the use of public feedback in NEB work
- Establish points of presence (regional teams) in key locations
- Deliver on the NEB's National Outreach Initiative
- Continue to provide Canadians with accurate and relevant energy information
- Implement protocols and new tools to share information (i.e. the NEB's Discussion Forum[iv])

5. Refer to footnote number two.

Priority	Type[6]	Strategic Outcome(s) [and/or] Program(s)
Lead Regulatory Excellence	New	Energy Regulation Energy Information Internal Services

Description

Why is this priority?

Demonstrating regulatory leadership will improve public confidence in our ability to fulfill our mandate, as well as facilitate stronger coordination and cooperation with our territorial, provincial, federal and international counterparts. These actions will also enhance our credibility as a regulator with stakeholders in Canada and around the world.

We are a strong regulator. We are taking steps to be clear about what regulatory excellence means for us as an organization. We will demonstrate, quantitatively as well as qualitatively, how we know our programs are focused on the right things and achieving the right results. We will take a more comprehensive review and evaluation of our processes and management systems, seeking to continually improve our capacity as a regulator as well as show that what we expect of the companies we regulate is what we also expect of ourselves.

What are the plans for meeting this priority?

- Develop and implement a framework for regulatory excellence
- Define regulatory excellence for the NEB, including criteria and assessment parameters
- Collaborate with other regulators to define regulatory excellence
- Assess the NEB's effectiveness as both a regulator and an organization and implement improvements
- Define criteria and measures to evaluate and implement an internal culture of safety
- Support internal culture of safety and environmental protection with strong governance and decision-making

6. Ibid.

Risk Analysis

The NEB takes risk into account in its integrated business planning and decision-making processes, which is codified in the NEB's Integrated Risk Management Policy and process. Risks with the potential to affect the achievement of organizational objectives are identified, analyzed, evaluated, monitored and reviewed at the strategic and operational levels to inform decision-making, priority setting, resource allocation and corporate reporting.

Key Risks

Risk	Risk Response Strategy	Link to Program Alignment Architecture
Due to several drivers such as an increase in the transportation of oil and gas products, there is a risk that an incident at a regulated company could result in a serious injury, fatality(ies) or significant environmental damage	Implement additional controls and monitor	Energy Regulation Program
Due to increased national and international interest in pipelines and the use of NEB processes to voice concerns on Canada's energy future, there is a risk of inaccurate or incomplete information about the NEB or NEB-regulated facilities communicated to Canadians by third parties	Implement additional controls and monitor	Energy Regulation Program Energy Information Program
Due to several factors including increasing public interest in pipelines, there is a risk of a physical security incident at a hearing involving NEB staff, Board Members or the public	Implement additional controls and monitor	Energy Regulation Program
Due to several drivers such as the fact that NEB activities are not always visible to the public and the lack of an NEB presence across Canada, there is a risk that the NEB will fail to engage effectively with Canadians	Implement additional controls and monitor	Energy Regulation Program
Due to aging business applications, business systems are no longer aligned with business needs and cannot support business requirements	Implement additional controls and monitor	Energy Regulation Program Internal Services

In 2014, the NEB regulated approximately 73 000 kilometres of interprovincial and international pipelines operated by 101 companies, and approximately 1400 kilometres of international power lines across Canada operated by 31 companies. These pipelines shipped approximately $162 billion worth of crude oil, petroleum products, natural gas liquids and natural gas to Canadian and export customers at an estimated transportation cost of $7 billion. NEB-regulated international power lines transmitted approximately $3.7 billion of electricity into and out of Canada.

The NEB's responsibilities are not only shaped by emerging energy trends, but also by the proactive consideration of safety, environmental, societal and economic trends that may influence the NEB's ability to carry out its responsibilities in the Canadian public interest.

Growth in North American oil supply has already displaced a significant portion of the North American imports from overseas. This has driven interest in accessing overseas markets for Canadian crude oil and increasing use of rail. Similar dynamics have occurred in the past few years in North American natural gas markets, and led to over 20 long-term LNG export licence applications being received by the NEB since 2010. While earlier LNG export applications all specified B.C. coastal locations as the export point, recent applications are proposing export points in Nova Scotia and Quebec. By the start of 2015, surplus global supply conditions have led to a collapse of world oil prices, which should eventually slow supply growth and rebalance the market.

The NEB continues to work in a changing environment and to experience increased workload in all areas. Parliamentarians and members of the public continuously show an increased interest in the energy industry, the safety of pipelines and environmental impacts of pipeline failures, as well as the role of the public in influencing regulatory and political decisions regarding the development of Canada's energy industry. The NEB recognizes the need to communicate effectively with Canadians about its regulatory processes (e.g. applications and incidents).

Planned Expenditures

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
76,820,510	77,550,511	71,597,521	59,149,504

Human Resources (Full-Time Equivalents [FTEs])

2015–16	2016–17	2017–18
471.2	444.4	398.5

Budgetary Planning Summary for Strategic Outcome(s) and Program(s) (dollars)

Strategic Outcome(s), Program(s) and Internal Services	2012–13 Expenditures	2013–14 Expenditures	2014–15 Forecast Spending	2015–16 Main Estimates	2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
Strategic Outcome 1: The regulation of pipelines, power lines, energy development and energy trade contributes to the safety of Canadians, the protection of the environment and efficient energy infrastructure and markets, while respecting the rights and interests of those affected by NEB decisions and recommendations.							
1.1 Energy Regulation Program	44,125,872	47,970,746	51,724,157	49,588,459	52,632,974	48,926,812	39,263,190
1.2 Energy Information Program	5,974,560	6,156,305	6,637,716	5,982,273	5,620,814	5,225,464	4,595,393
Subtotal	50,100,432	54,127,051	58,361,873	55,570,732	58,253,788	54,152,276	43,858,583
Internal Services Subtotal	19,445,209	27,555,630	31,947,470	21,249,778	19,296,723	17,445,245	15,290,921
Total	69,545,641	81,682,681	90,309,343	76,820,510	77,550,511	71,597,521	59,149,504

The NEB is funded through parliamentary appropriations. The Government of Canada recovers approximately 90 per cent of the appropriation from the regulated industry. The revenues are deposited directly into the Consolidated Revenue Fund. This process is regulated by the *National Energy Board Cost Recovery Regulations*[v].

Additional temporary funds were received in 2012-13 to enhance NEB safety and security programs as well as public awareness. These funds will cease at the end of 2016-17. Temporary funding for two fiscal years was also received in 2014-15 to support a high-level of applications and hearings workload which was re-profiled over fiscal years 2015-16 to 2017-18 with the funding expiring in 2017-18. In 2015-16, the decrease in planned spending in comparison to 2014-15 forecast spending is largely due to a $8.3 million amount for moving to the Centre 10 location as well as one-time severance payouts stemming from the provisions of a new collective agreement both of which occurred in 2014-15. The 2015-16 planned spending includes $6.6 million for eligible paylist expenses as well as re-profiling of funds from 2014-15 due to lower than anticipated hearing workload including associated grants and contributions funds pertaining to the participant funding program.

The decrease in planned spending for 2016-17 and 2017-18 is due to a shift in application submissions. 2017-18 planned spending is lower than 2016-17 due to the temporary funds to enhance safety and security programs and public awareness expiring.

Alignment of Spending With the Whole-of-Government Framework

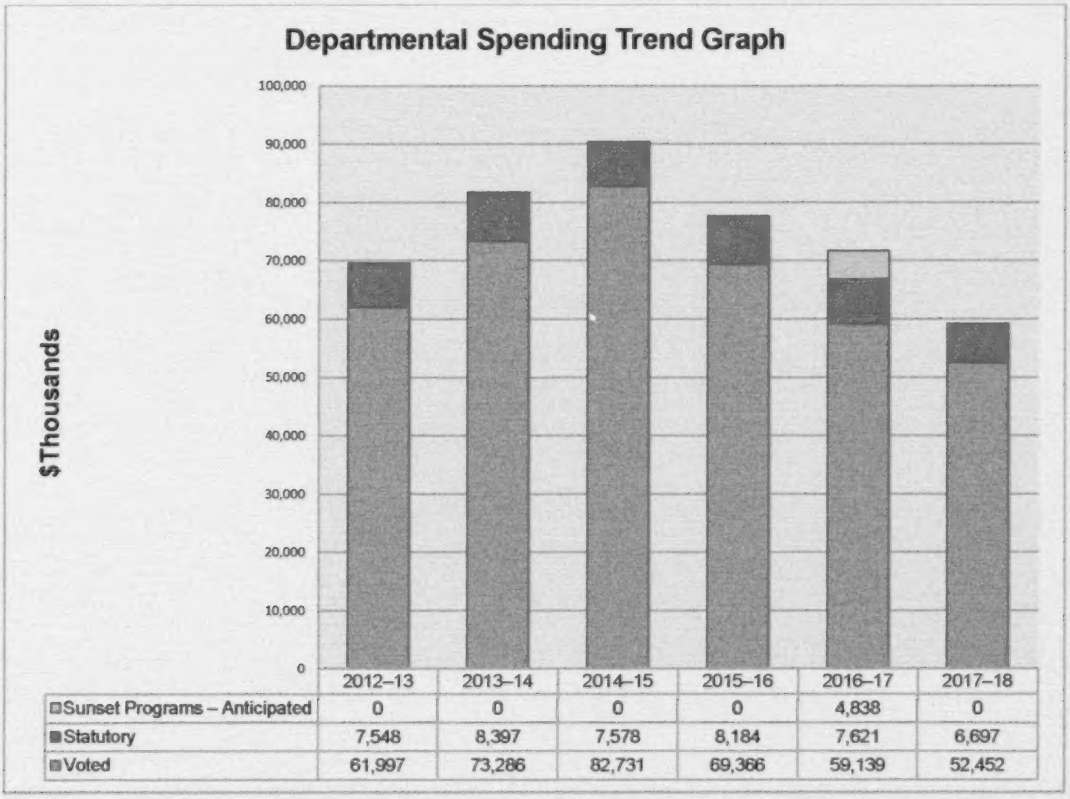
Alignment of 2015–16 Planned Spending With the Whole-of-Government Framework[vi] (dollars)

Strategic Outcome	Program	Spending Area	Government of Canada Outcome	2015–16 Planned Spending
1: The regulation of pipelines, power lines, energy development and energy trade contributes to the safety of Canadians, the protection of the environment and efficient energy infrastructure and markets, while respecting the rights and interests of those affected by NEB decisions and recommendations				
	1.1 Energy Regulation	Economic affairs	Strong economic growth	52,632,974
	1.2 Energy Information	Economic affairs	Strong economic growth	5,620,814

Total Spending by Spending Area (dollars)

Spending Area	Total Planned Spending
Economic affairs	58,253,788
Social affairs	0
International affairs	0
Government affairs	0

Departmental Spending Trend



	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18
Sunset Programs – Anticipated	0	0	0	0	4,838	0
Statutory	7,548	8,397	7,578	8,184	7,621	6,697
Voted	61,997	73,286	82,731	69,366	59,139	52,452

The increase in actual spending from 2012-13 to 2014-15 is due to an increase in funding related to enhancing safety and security programs and public awareness. The increase in actual and forecast spending between 2012-13 and 2014-15 is largely attributed to the move to Centre 10 location in downtown Calgary. Actual and forecast spending increases between 2013-14 and 2014-15 are attributable to one-time severance payouts stemming from the provisions of a new collective agreement. The decrease in planned spending from 2014-15 to 2015-16 is largely attributed to move costs and collective agreement costs not impacting 2015-16 offset to a small degree by re-profiling funds from 2014-15 due to lower than anticipated hearing workload. The decrease in planned spending for 2016-17 and 2017-18 is due to a shift in anticipated application submissions. 2017-18 planned spending is lower than 2012-13 to 2016-17 spending due to the temporary funds for enhanced NEB safety and security programs as well as public awareness expiring. These funds were the NEB's sole sunset program.

Estimates by Vote

For information on National Energy Board's organizational appropriations, consult the *2015–16 Main Estimates* on the Treasury Board of Canada Secretariat website[vii]

Section II: Analysis of Program(s) by Strategic Outcome

Strategic Outcome:

The regulation of pipelines, power lines, energy development and energy trade contributes to the safety of Canadians, the protection of the environment and efficient energy infrastructure and markets, while respecting the rights and interests of those affected by NEB decisions and recommendations.

Program 1.1: Energy Regulation

Description

This program provides the regulatory framework under which the NEB carries out its mandate and achieves part of its strategic outcome. Specifically, it enables Canadian federally regulated energy infrastructure to be developed and supervised throughout its lifecycle. The regulatory framework includes components such as setting expectations for industry and others, monitoring and enforcing compliance with requirements, measuring performance of the NEB's regulatory framework and focusing on continual improvement. The authority for this program is derived from the NEB Act, COGOA, CPRA, *the Canada Labour Code* and other associated regulations and guidelines. Energy regulation provides Canadians with safe, reliable and efficient energy supply.

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
49,588,459	52,632,974	48,926,812	39,263,190

Human Resources (Full-Time Equivalents [FTEs])

2015–16	2016–17	2017–18
334.8	315.7	283.1

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Regulated activities are conducted in accordance with regulatory requirements	Number of inspections conducted per fiscal year	150	Annually
	Percent of planned compliance activities that are completed	100%	Annually
	Number of audits conducted per fiscal year	6	Annually

Planning Highlights

The NEB is focused on developing, refining and communicating its actions on safety and environmental protection.

The major initiatives include:

- Develop and implement an enhanced external Safety Culture framework and collaborate with other regulatory agencies on this initiative
- Plan and hold technical sessions to publicly discuss safety
- Improve quality of regulatory data
- Use enhanced data analysis to inform improvement of safety and environmental protection programs

These activities, once implemented, will further minimize the risk that an incident at a regulated company could result in a serious injury, fatality(ies) or significant environmental damage.

Sub-Program 1.1.1: Energy Regulation Development

Description

This sub-program provides the energy sector and affected stakeholders with the regulatory expectations required for the development and operation of energy infrastructure and for oil and gas exploration and development activities in lands and offshore areas as defined in s.3 of COGOA. The NEB develops and communicates regulations, guidance materials and related processes to ensure its regulatory expectations are clear and useful. The NEB actively seeks opportunities for improvement through amendments to regulations and guidance, non-mandatory goals and guidance, and other direction provided from time to time.

Budgetary Financial Resources (dollars)

2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
9,894,999	9,198,241	7,381,480

Human Resources (FTEs)

2015–16	2016–17	2017–18
37.8	35.7	32.0

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Clear and pragmatic regulatory framework	Per cent of planned regulation or regulatory guidance change activities completed	80%	Annually

Planning Highlights

Changes to the NEB Act, other applicable federal legislation and consequential regulations must be implemented. These changes in regulations are either required by legislation or are identified gaps and issues in the NEB regulatory framework. The NEB continually improves its regulatory framework to provide staff and stakeholders with updated, accurate and relevant regulatory guidance.

Key activities include:

- Implementing legislative and consequential regulatory changes. Considerable work is occurring to prepare for regulatory changes that would be required to implement Bill C-22 and C-46, including cost recovery regulations, administrative monetary penalties, abandonment, financial assurances as well as amendments to damage prevention regulations under the NEB Act
- Modernizing the regulatory framework related to the Board's regulatory responsibilities for oil and gas exploration and production under COGOA and CPRA, in partnership with relevant federal, provincial, and territorial government departments and regulators
- Ongoing improvement of the NEB's existing regulatory framework

Sub-Program 1.1.2: Energy Regulation Implementation, Compliance Monitoring and Enforcement

Description

Through this sub-program, the NEB makes informed decisions and recommendations on issues and applications related to energy development, energy infrastructure, energy transportation, energy trade and related activities. As an independent regulatory tribunal, the NEB actively involves those affected by its regulatory decisions through public hearings and other engagement activities.

The Board verifies and enforces compliance with regulatory requirements and expectations such as those set out in the Board regulations, and terms and conditions of approvals. The NEB conducts its monitoring and enforcement activities under eight regulatory implementation programs: integrity, emergency management, safety management, damage prevention, financial regulation, respecting rights and interests, security, and environmental protection. Through monitoring and enforcement, the NEB holds regulated entities accountable for results in the Canadian public interest. The public interest is inclusive of all Canadians and refers to a balance of economic, environmental and social considerations that changes as society's values and preferences evolve over time. This program uses funding from the following transfer payment: *National Energy Board Participant Funding Program*.

Budgetary Financial Resources (dollars)

2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
42,737,975	39,728,571	31,881,710

Human Resources (FTEs)

2015–16	2016–17	2017–18
297.0	280.0	251.1

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Fair and transparent application assessment	Per cent of successful judicial appeals related to fairness or legal principles	0%	Annually
Timely application assessment	Per cent of decisions or recommendations issued within legislated time limits	100%	Annually
Regulated companies are held accountable for results in the Canadian public interest	Per cent of NEB-identified non-compliances addressed by the NEB	100%	Annually

Planning Highlights

The NEB's regulatory and non-regulatory activities (e.g., application assessment, compliance and enforcement, planning and reporting, etc.) are risk-informed and driven by timely analysis of data and information collected from different activities. Analysis of accurate and relevant information can lead to the identification of trends in the industry and informs the NEB application assessment, compliance verification and enforcement processes. Through these efforts, the NEB will continue to hold regulated companies accountable for results in the Canadian public interest.

In addition to work on building a stronger safety culture throughout the regulated industry, the NEB will:

- Deliver on the compliance activity plan, including inspections and audits
- Build process efficiencies and capacity to provide oversight for potential large-scale construction projects
- Conduct additional analysis of incident data to identify trends and root causes
- Incorporate information from new leading performance indicators into compliance planning and program improvements
- Design and implement enhanced investigative processes in support of the NEB's enforcement program
- Continue to manage time-limit commitments on application assessments
- Utilize input from Canadians (e.g., Land Matters Group) to inform NEB initiatives

- Communicate to the public safety and enforcement actions
- Implement process improvements from recommendations of the Office of the Auditor General audit on the implementation of *Canadian Environment Assessment Act, 2012*

These activities, once implemented, will support the organizational priority to reach out to Canadians and will further minimize the risk of an incident at a regulated company resulting in a serious injury, fatality(ies) or significant environmental damage.

Program 1.2: Energy Information

Description

Under this program, the supply, demand, production, development, transmission and trade of energy are analyzed to ensure the requirements of Canadians are appropriately met. Advice is provided on energy issues of interest. The Board uses energy information to inform its regulatory decisions and to produce publicly available assessments of energy trends, events and issues that may affect Canadian energy markets and the supply and demand for energy.

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
5,982,273	5,620,814	5,225,464	4,595,393

Human Resources (FTEs)

2015–16	2016–17	2017–18
42.9	40.5	36.3

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Canadians access energy related analysis and information	Number of visits to the Energy Information webpage or material per fiscal year	≥ 500,000	Annually

Planning Highlights

In support of the Program, the NEB will continue to monitor developments in energy markets, gather and publish energy market statistics and publish analyses to inform Canadians on energy markets. The NEB monitors a variety of data and information under the Energy Information Program, which are made available to the public through our market and our supply and demand analysis products.

Key activities include:

- Continue to monitor developments in energy markets, gather and publish energy market statistics and publish analyses to inform Canadians on energy markets
- Support the Board's regulatory decisions by providing up to date market analysis on energy infrastructure related applications before the Board
- Publish energy studies - planned publications for 2015-16 include:
    - *Canada's Energy Future 2015* to be released in Fall 2015
    - Liard Basin and Cordova Embayment Resource Assessments
    - *Short-term Canadian Natural Gas Deliverability Outlook 2016-18*
    - *Short-term Canadian Conventional/Tight Oil Deliverability Outlook 2016-18*
    - Several shorter reports on various aspects of energy markets, including *Canadian Energy Overview* and *Canadian Energy Dynamics*
- NEB will leverage the Government of Canada Web Renewal and Open Data initiatives to improve Canadians' access to energy information

These activities enable the Board to make informed decisions and demonstrate to Canadians how markets are functioning and whether there are sufficient energy resources to satisfy Canadian needs even with exports. These activities, once implemented, will minimize the risk that inaccurate, incomplete or inadequate information about NEB-regulated facilities or NEB operations is communicated to Canadians.

Internal Services

Description

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. Internal services include only those activities and resources that apply across an organization, and not those provided to a specific program. The groups of activities are Management and Oversight Services;

Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; and Acquisition Services.

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
21,249,778	19,296,723	17,445,245	15,290,921

Human Resources (FTEs)

2015–16	2016–17	2017–18
93.5	88.2	79.1

Planning Highlights

To be an effective and efficient organization supporting regulatory excellence based on a culture of innovation and creativity, the NEB will improve internal systems and processes, and embrace whole-of-government initiatives to increase efficiency and effectiveness, foster a culture of innovation, learning and continual improvement, and manage resources effectively and efficiently.

The NEB continues to experience an increase in workload due to the number of compliance activities and the complexity of applications in parallel with organizational changes, including the expansion of the NEB through a regional presence. This could result in additional funding requirements and in alternative ways of doing business.

The following key activities support all of our organizational priorities in addition to our core work as defined by our Strategic Outcome and Program Alignment Architecture:

- Establish tools, processes and systems to meet enhanced internal needs for regulatory reporting, analysis and measurement
- Align NEB's Enterprise Resource Planning processes and systems with Government of Canada-wide standards established by Treasury Board (e.g. Phoenix pay system, My GC HR, PeopleSoft, SAP)
- Support Canada's Action Plan on Open Government
- Modernize NEB's record keeping practices and systems
- Strengthen physical security for staff and guests at Centre 10
- Address recommendations stemming from the horizontal audit on Information Technology security

- Explore alternative business models (e.g. cost recovery) which would enable the NEB to be more responsive to rapidly changing demands for regulatory service and information
- Carry out collective bargaining
- Renewal of the job classification system
- Review NEB's programs and performance measures to better align with mandate and services provided to Canadians

Some of these activities, once implemented, will help to minimize the threat of a security incident at Centre 10 as well as improve the integrity of IM/IT systems and practices.

Additional details on the NEB's green procurement activities can be found in the Sustainable Development Strategy supplementary table.

Section III: Supplementary Information

Future-Oriented Statement of Operations

The future-oriented condensed statement of operations provides a general overview of the National Energy Board's operations. The forecast of financial information on expenses and revenues is prepared on an accrual accounting basis to strengthen accountability and to improve transparency and financial management.

Because the future-oriented condensed statement of operations is prepared on an accrual accounting basis, and the forecast and planned spending amounts presented in other sections of the Report on Plans and Priorities are prepared on an expenditure basis, amounts differ.

A more detailed future-oriented statement of operations and associated notes, including a reconciliation of the net cost of operations to the requested authorities, can be found on the NEB's website[viii].

Future-Oriented Condensed Statement of Operations
For the Year Ended March 31
(dollars)

Financial Information	2014–15 Estimated Results	2015–16 Planned Results	Difference
Total expenses	95,128,619	91,503,210	(3,625,409)
Total revenues	-	-	-
Net cost of operations	95,128,619	91,503,210	(3,625,409)

The decrease in total expenses between 2014-15 and 2015-16 is primarily related to collective agreement costs included in 2014-15 but not impacting 2015-16.

Supplementary Information Tables

The supplementary information tables listed in the *2015–16 Report on Plans and Priorities* can be found on the National Energy Board's website[ix].

- Departmental Sustainable Development Strategy;
- Disclosure of Transfer Payment Programs Under $5 Million;
- Upcoming Internal Audits and Evaluations Over the Next Three Fiscal Years.

Tax Expenditures and Evaluations

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures annually in the *Tax Expenditures and Evaluations*[x] publication. The tax measures presented in the *Tax Expenditures and Evaluations* publication are the responsibility of the Minister of Finance.

Section IV: Organizational Contact Information

National Energy Board
517 Tenth Avenue SW
Calgary, Alberta T2R 0A8

Email: info@neb-one.gc.ca

Internet: http://www.neb-one.gc.ca

Telephone: 403-292-4800
Toll free: 1-800-899-1265
Fax: 403-292-5503
Toll free fax: 1-877-288-8803
TTY (teletype): 1-800-632-1663

Appendix: Definitions

appropriation: Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures: Include operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report: Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Reports on Plans and Priorities. These reports are tabled in Parliament in the fall.

full-time equivalent: Is a measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada outcomes: A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure: A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures: Include net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance: What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve and how well lessons learned have been identified.

performance indicator: A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting: The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending: For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

plans: The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

priorities: Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program: A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture: A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities: Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

results: An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

Strategic Outcome: A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program: A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target: A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

whole-of-government framework: Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

i *National Energy Board Act*,
http://laws-lois.justice.gc.ca/eng/acts/N-7/page-1.html

ii *Canada Oil and Gas Operations Act*,
http://laws-lois.justice.gc.ca/eng/acts/O-7/index.html

iii *Canada Petroleum Resources Act*,
http://laws-lois.justice.gc.ca/eng/acts/C-8.5/index.html

iv *NEB Discussion Forum*,
http://www.neb-one.gc.ca/glbl/ccct/xtntc-eng.html

v *National Energy Board Cost Recovery Regulations*,
http://laws-lois.justice.gc.ca/eng/regulations/SOR-91-7/index.html

vi Whole-of-government framework,
http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx

vii *2015–16 Main Estimates*,
http://publiservice.tbs-sct.gc.ca/ems-sgd/esp-pbc/me-bpd-eng.asp

viii NEB Financial Statements,
http://www.neb-ne.gc.ca/bts/pblctn/dtrrprtndnbfnnclsttmnt/index-eng.html

ix Supplementary Information Tables,
http://www.neb-one.gc.ca/bts/pblctn/plnprrt/2015-2016/rpp00-2015-2016-eng.html

x *Tax Expenditures and Evaluations* publication,
http://www.fin.gc.ca/purl/taxexp-eng.asp